

Enterprise Resiliency

“A Sustainable Growth Imperative”



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Just a new buzzword?



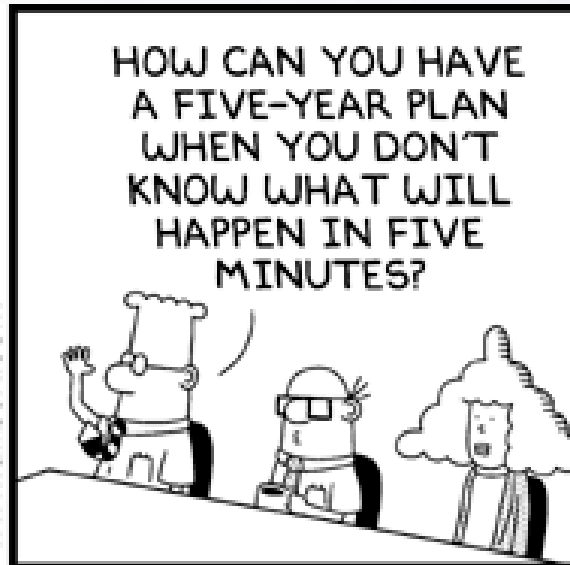
- Why a **new concept** and **new terminology**?
- Existing practices (Risk Management, Business Continuity Planning, Emergency Planning, Strategic Planning) tend to be practiced in silos and not cover the full spectrum of relevant issues.
- Resilience provides a **paradigm or framework** for thinking about an organisation survival potential
- RM, BCP, Strategic Planning etc are in the **toolkit** for achieving greater resilience.

Turbulence ahead?



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A Resilience Paradigm



- Resilience is not something you do...it is something you are (or try to become).

- **Waves of Adversity** (Glavovic)

- **Learning to Surf** (van der Walt)

A Resilient Organization is one that is not only able to survive but to thrive, still achieving it's core objectives, even in the face of adversity.

Defining Resilience

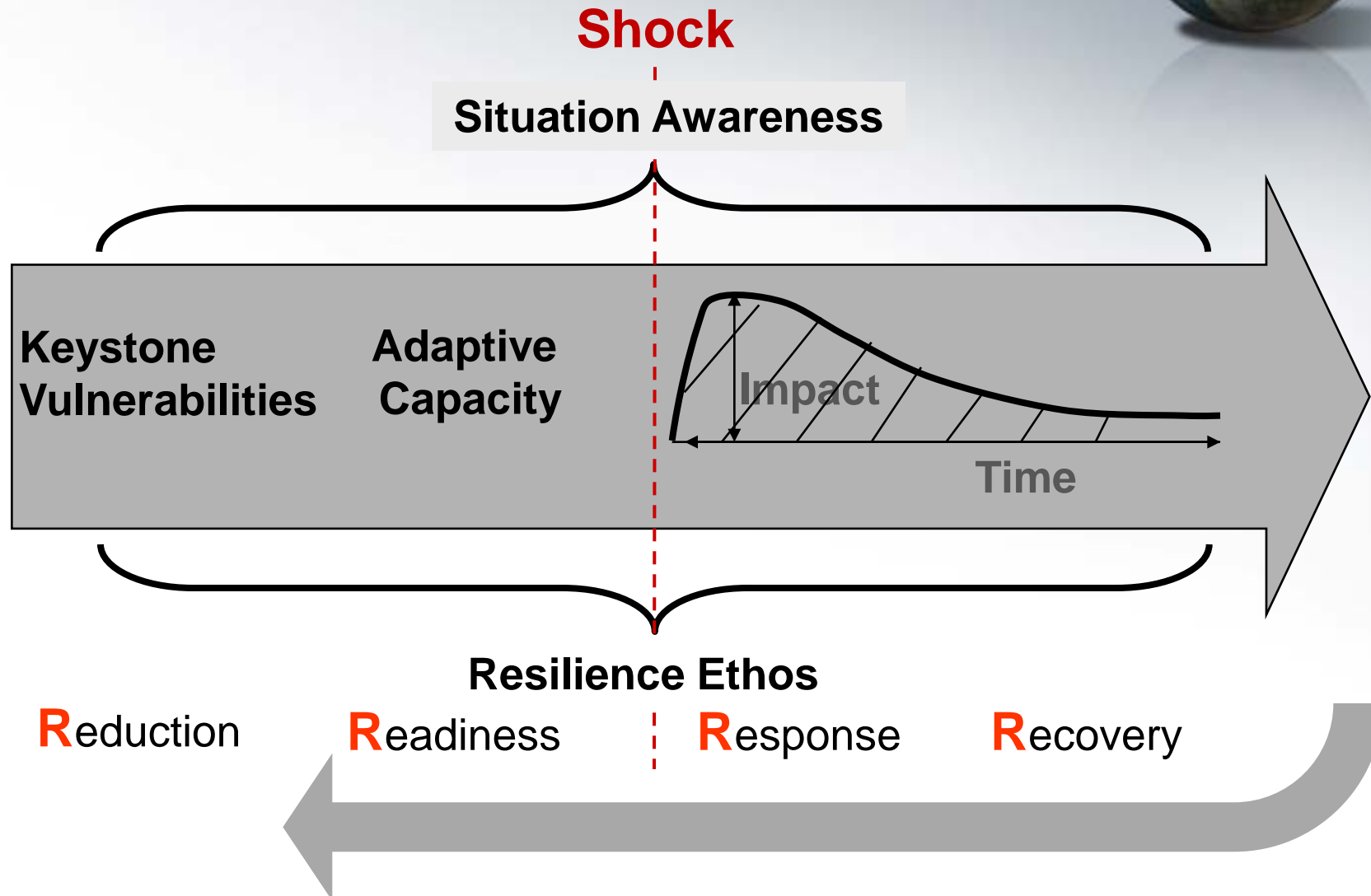


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Four Pillars of Organizational Resilience

- Resilience Ethos
- Situation Awareness
- Management of Keystone Vulnerabilities
- Adaptive Capacity

Resilience



Crises can take many forms...



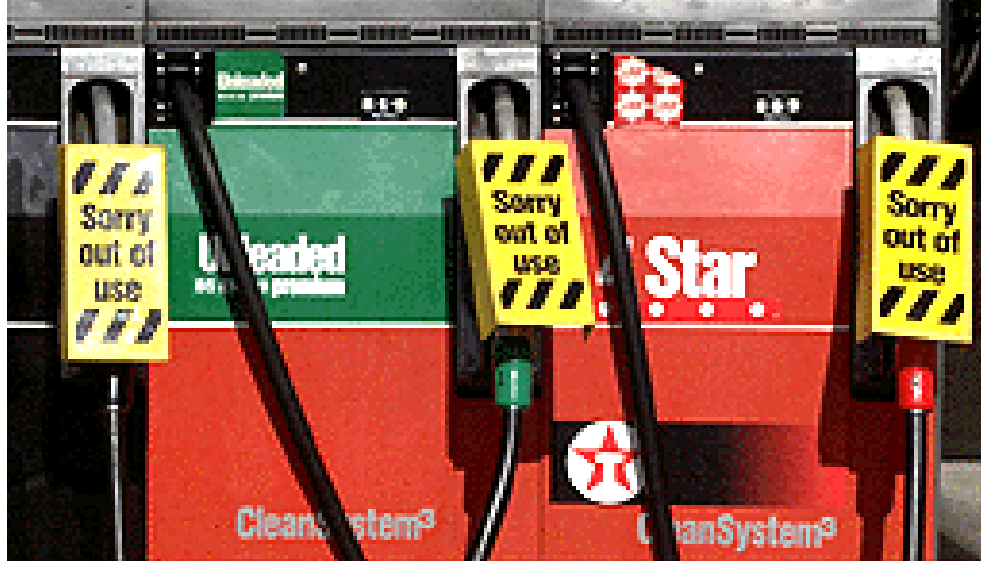
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Localized Event	Organization specific incidents resulting in, for example, loss of life, severe disruption to normal operations or major reputation damage. For these events, everyone is watching...!

BLOOD BANK

THE HEATING SYSTEM
FAILED IN THE NIGHT.
THE WHOLE PLACE HAS
SCABBED UP.



aweldon.

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Distal Event	Disruption somewhere in the network that the organization operates within. These events impact business flow through key suppliers or customers and their impact can be creeping rather than immediate.



Resilience Ethos



A culture of resilience that is embedded within the organization across all hierarchical levels and disciplines; where the organization is a system managing its presence as part of a network and where resilience issues are key considerations for all decisions that are made.

Resilience Ethos	Commitment to resilience as a Goal for the Organization
	Commitment to Supporting Greater Network Resilience

Situation Awareness



An organization's understanding of its' business landscape; its' awareness of what is happening around it, and what that information means for the organization, now and in the future.

Situation Awareness	Internal & External Situation Monitoring & Reporting
	Informed Decision Making
	Shared Recovery Priorities
	Understanding & Analysis of Hazards & Consequences
	Awareness of Connectivity and Interdependencies
	Clarity around BAU and Crisis Roles & Responsibilities
	Awareness of Insurance Cover and its Limitations

Managing Keystone Vulnerabilities



The identification, proactive management, and treatment of vulnerabilities that, if realized, would threaten the organization's ability to survive.

Mgmt of Vulnerabilities	Robust Processes for Identifying & Analyzing Vulnerabilities
	Planning Strategies
	Participation in Exercises
	Capability & Capacity of Internal Resources
	Capability & Capacity of External Resources
	Organizational Connectivity
	Staff Engagement & Involvement

Adaptive Capacity



The organization's ability to constantly and continuously evolve to match or exceed the needs of its operating environment before those needs become critical.

Adaptive Capacity	Strategic Vision & Outcome Expectancy
	Leadership, Management & Governance
	Minimization of Silo Mentality
	Communications & Relationships
	Information & Knowledge
	Innovation & Creativity
	Devolved & Responsive Decision Making

Putting Resilience Concepts into Practice

Du Pont's Resilience Programme



Enterprise Resiliency Dimensions



- **Core Values**
- **Right Future Goals**
- **Risk Management**
- **Integrated Security**
- **Knowledge Management**
- **Work Process Design**
- **Operating Discipline**
- **Crisis Management**
- **Felt Leadership**

Safety



- **A Core Value**
- **A Source of Value**
- **A Platform / Managing Process for:**
 - Environmental Excellence
 - Security
 - Operational Excellence
 - Sustainable Growth

Example Corporate Goals



- **Serving the Marketplace**
 - Environmentally smart market opportunities
 - Products that reduce greenhouse gas emissions
 - Revenues from renewable resources
 - Products that protect people
- **Reducing Environmental Footprint**
 - Greenhouse Gas Emissions
 - Water Conservation
 - Fleet Fuel Efficiency
 - Air Carcinogens
 - Independent Verification

Risk Management Transformation

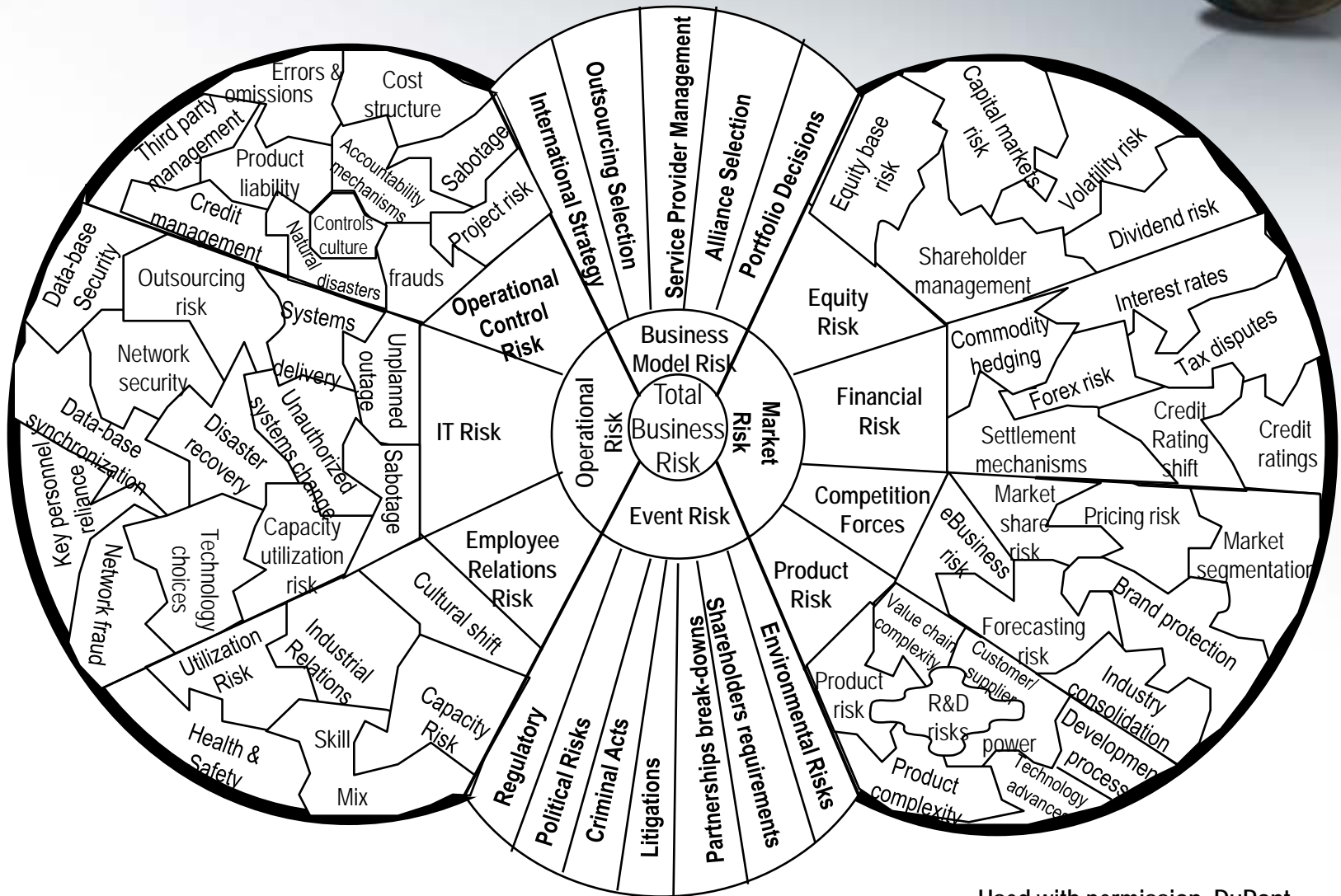


Traditional Risk Management

Enterprise Risk Management

- | | | |
|--------------------------------------|--------|--|
| • Risks as individual hazards | —————→ | • Risk in context of business strategy |
| • Risk identification and assessment | —————→ | • Risk “portfolio” development |
| • Focus on all risks | —————→ | • Focus on critical risks |
| • Risk mitigation | —————→ | • Risk optimization |
| • Risk limits | —————→ | • Risk strategy |
| • Risks with no owners | —————→ | • Defined risk responsibilities |
| • Haphazard risk quantification | —————→ | • Monitoring and measurement |
| • Risk is not my responsibility | —————→ | • Risk is everyone’s responsibility |

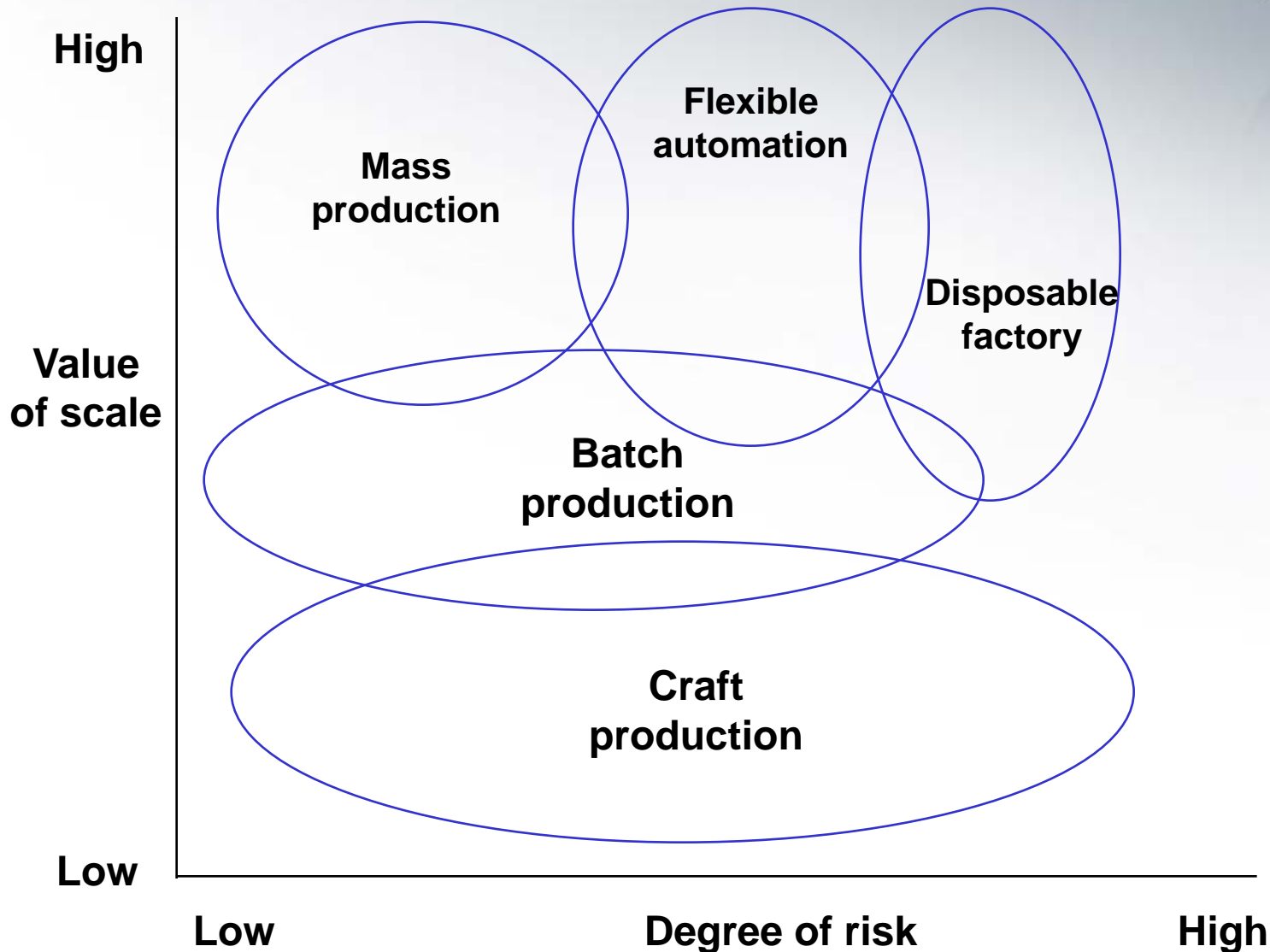
Risk Domains



Process Safety & Risk Management Model



When Choosing a Production Model, Weigh the Value of Scale Against the Degree of Risk...



Council on Competitiveness Integrated Security Best Practices



- Security extends to enterprise-wide risk management and strategic planning and includes protection of all assets: people, property, processes, information, and supply chain issues.
- Senior management sets the leadership vision and monitors implementation, recognizing that security is a key driver of shareholder value.
- Security is business-driven rather than compliance driven.
- Security is “baked into” every decision.
- Accountability and lines of authority are clear, with a senior executive at or near the CEO Suite.
- Metrics are in place to quantify risk, losses, performance and opportunities, with track and trend management information systems—aligning resources with risk.

Information Security Policy and Goals

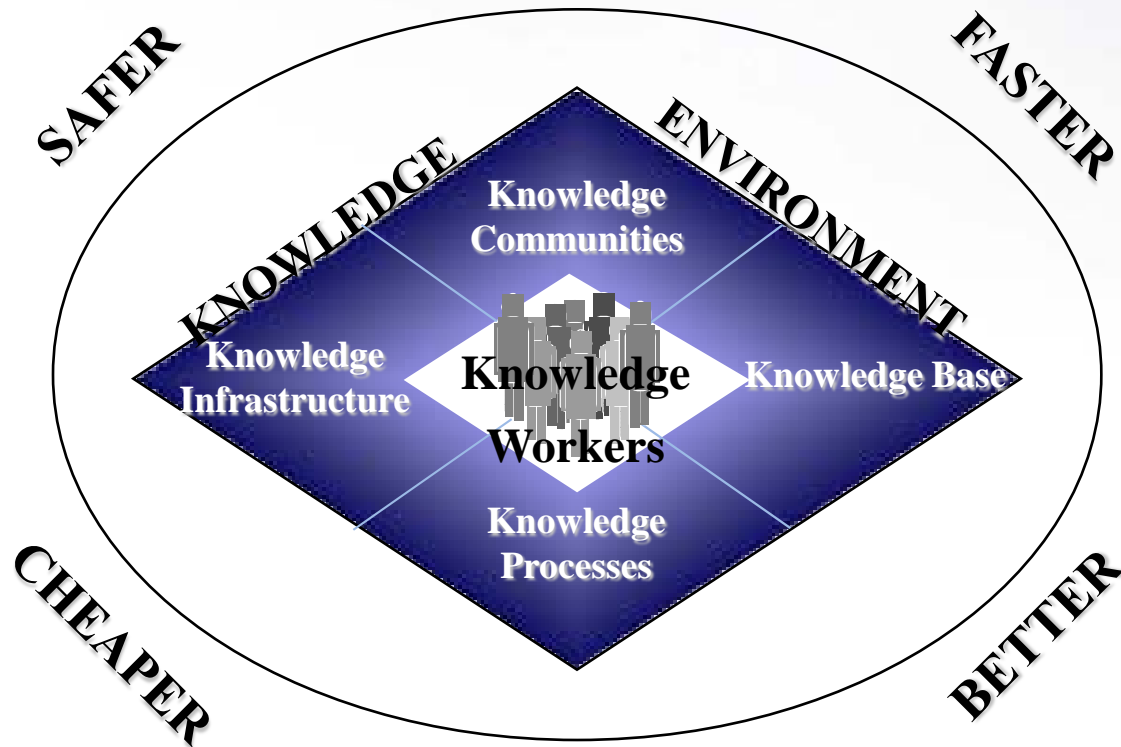


- **All high and medium risk Process Control Networks must be fire-walled or disconnected from any external network.**
- **All business units participate:**
 - **Standard firewall**
 - **Centralized monitoring**
 - **Centralized backup for disaster recovery**

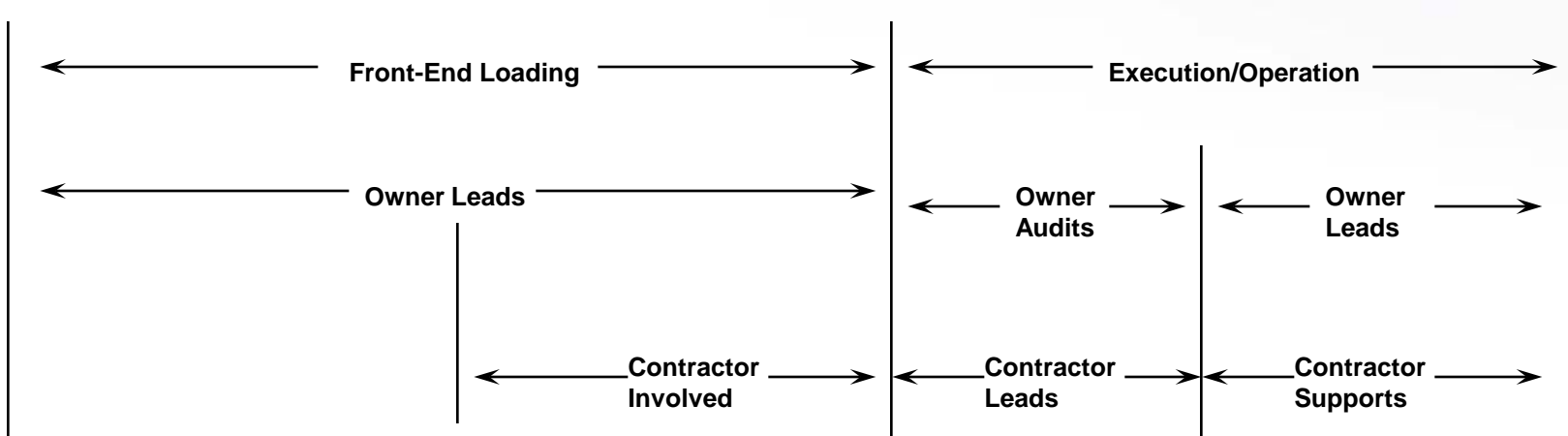
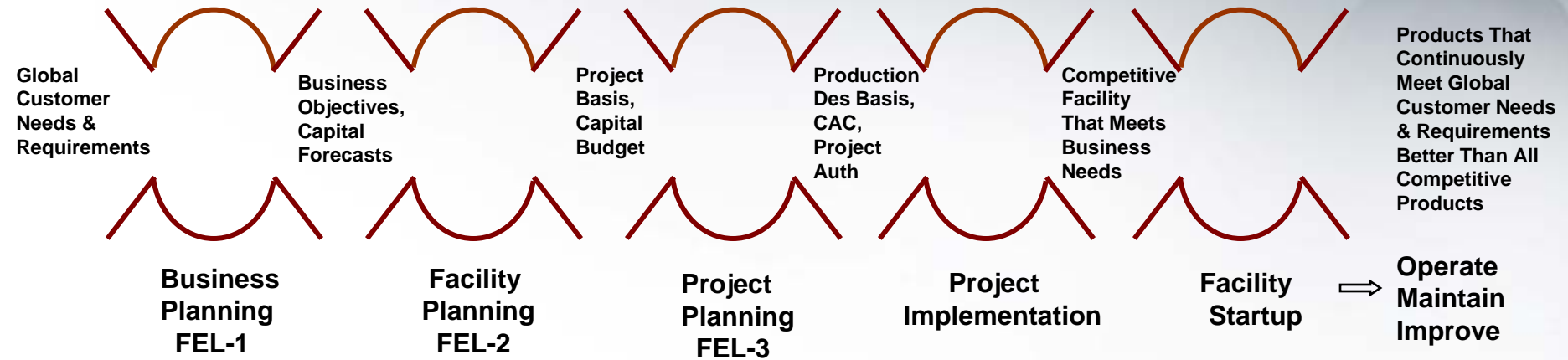
Knowledge Management Vision



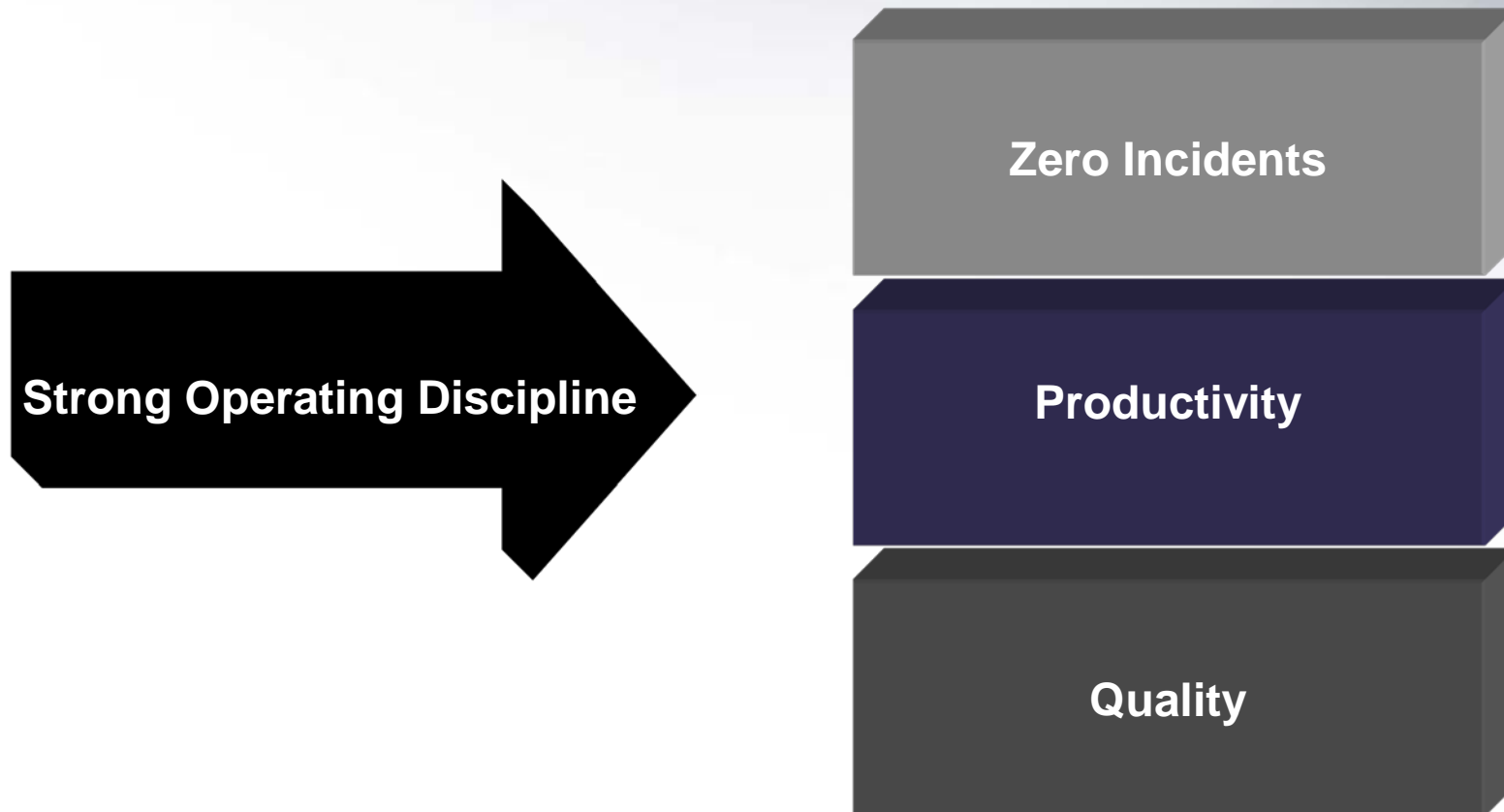
Create a strategy and managing process for accelerating knowledge management that will introduce a culture change as well as effective tools and processes to further enable employees as “knowledge workers,” improve productivity, reduce risks, and use knowledge intensity to achieve sustainable growth.



Facilities Engineering Process



Strong Operating Discipline Creates Zero Incident Cultures



Operational Discipline

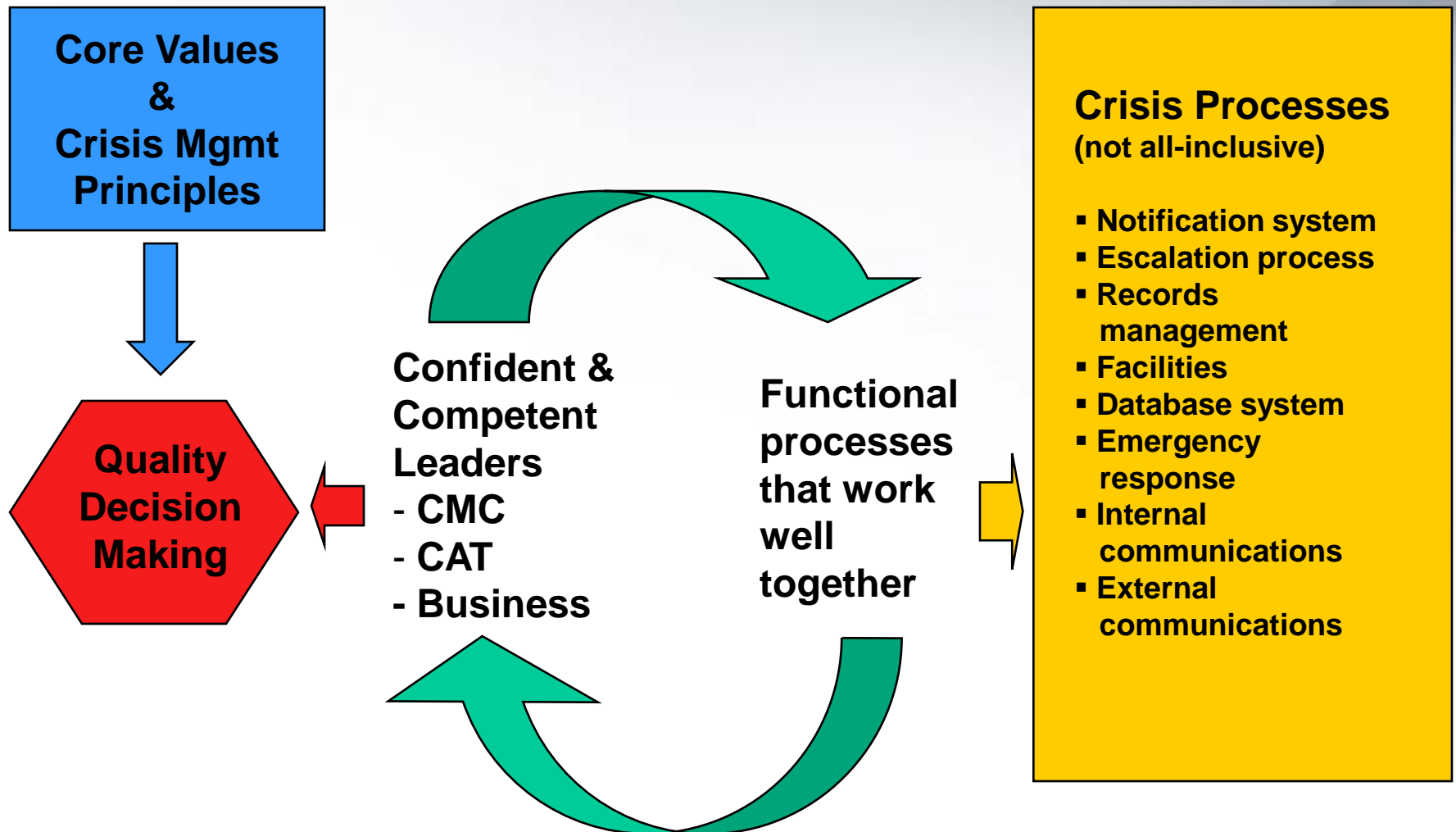


Eleven Operational Disciplines



- 1. Leadership by Example - “walking the talk”**
- 2. Functioning Capability/Sufficient Resources**
- 3. Full Employee Involvement**
- 4. Active Lines of Communication**
- 5. Strong Teamwork - common objectives**
- 6. Common, Shared Values - zero incidents goal**
- 7. Up-to-date Documentation**
- 8. Practice Consistent with Procedures**
- 9. No Shortcuts**
- 10. Excellent Housekeeping**
- 11. Organizational Pride**

Goal of the Crisis Management Program: A Resilient and Flexible Crisis System



What Matters Most in a Crisis?



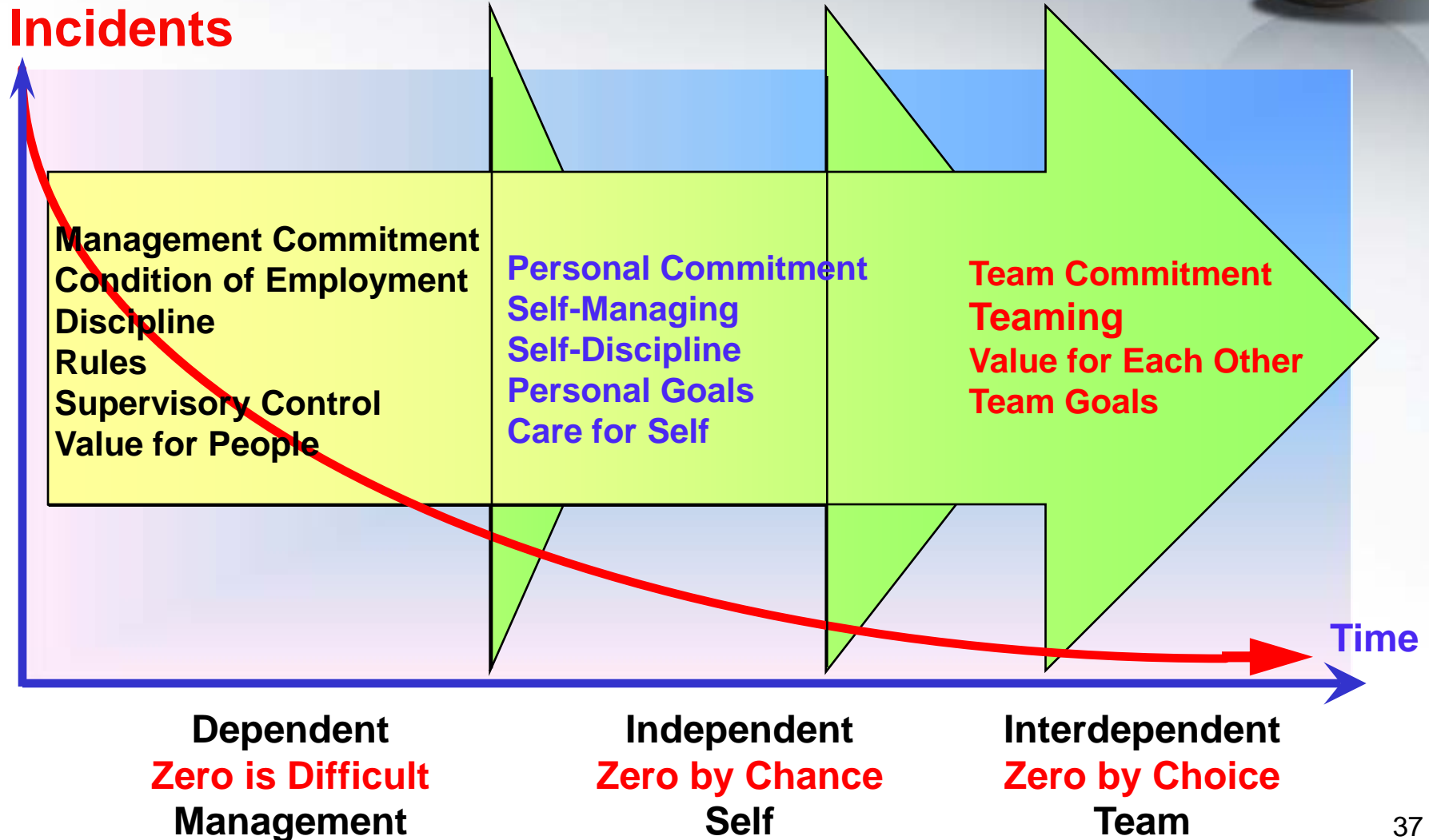
- **Act with caring compassion and concern.**
- **Act morally and ethically; laws & regulations are minimum standards.**
- **Place the highest priority on human health and safety.**
- **Ensure actions guided by respect for the environment.**
- **Be open, straightforward and accessible.**
- **Consider all stakeholders when taking action.**
- **Communicate fully and timely using normal business channels.**
- **Acknowledge appropriate responsibility immediately.**
- **Determine liability after the facts are known.**
- **Make crisis response a priority over other needs.**

Sustainable Resilience Requires a Comprehensive Management System...

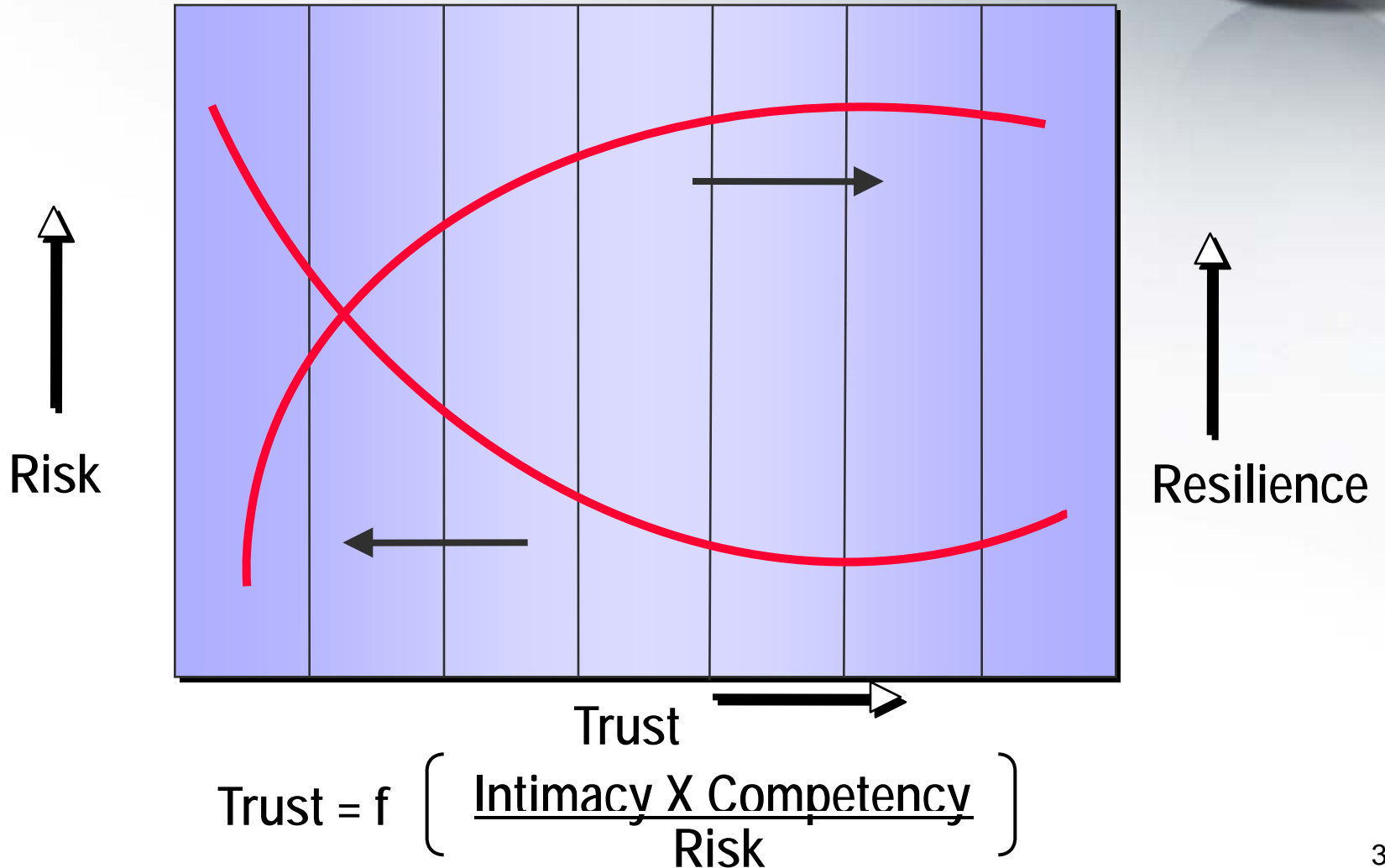


... Operating on a Foundation of Felt Leadership

Dynamics of a “Zero” Incident Culture Change.....



Resilience / Trust Relationships



My Reflections



- **Business processes must be seen holistically.**
- **Businesses must see enterprise resiliency as a key component of their financial success.**
- **Best practices define the pathway and guarantee good results.**
- **Felt leadership cannot be delegated.**

The End Goal....



Resilience as the 4th bottom line?

- Resilience Ethos
- Situation Awareness
- Management of Keystone Vulnerabilities
- Adaptive Capacity

**How would YOUR organisation
measure up?**